



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Thursday, May 8, 2003

Grassley Expresses Concern Over Report on Free Trade Area of the Americas Negotiations;
Announces Subcommittee Hearing

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today released a follow-up report by the General Accounting Office on the status of the Free Trade Area of the Americas (FTAA) negotiations, expressed concern over the findings, and announced a hearing to examine the issue.

“I’m concerned about a number of findings in the report,” Grassley said. “The United States, as host of the November 2003 FTAA ministerial in Miami, has a special responsibility to ensure the ministerial’s success. Part of the reason I commissioned earlier studies was to make sure the United States was fully engaged in the FTAA process and ready to assume its leadership role in making the vision of hemispheric free trade a reality. The need for strong U.S. leadership is only amplified by our role as host of the 2003 Miami ministerial and as co-chair of the negotiations with Brazil.

“The free trade agreement that we’re negotiating with the 33 other members of our hemisphere is perhaps one of the most important regional trade agreements the United States will ever engage in. I want to make sure the U.S. government is ready, willing, and able to meet the challenge of guiding the agreement to a successful conclusion. Unfortunately, the GAO report raises many questions about the Administration’s readiness to assume its important responsibilities. Part of the reason for holding our subcommittee hearing on May 13 is to focus attention on what needs to be done to ensure the success of the Miami ministerial and FTAA negotiations, before it’s too late for Congress to do anything about it.”

The GAO report “Free Trade Area of the Americas: Negotiations Progress, But the United States Needs to Bolster Preparations for November 2003 Ministerial,” GAO-03-560, was commissioned by Grassley as a follow-up to two previously commissioned GAO studies on the FTAA. The current report reviews the progress to date in the FTAA negotiations and the outcome of the ministerial meeting last year in Quito. The report also discusses the key challenges for the current negotiating phase and analyzes the readiness of the United States to successfully perform as co-chair of the FTAA negotiations and host of the November 2003 ministerial.

“We shouldn’t underestimate the challenges inherent in forging a free trade agreement that includes 34 nations and covers nearly 800 million people producing more than \$11 trillion in goods

and services,” Grassley said. “How well we succeed could have a big impact on the U.S. economy. Nearly 36 percent of all U.S. exports in goods and services are purchased by countries in our hemisphere. In my state of Iowa, about one-third of all the goods sold in international commerce are shipped to the FTAA region. If we want to succeed in our push for the elimination of tariffs and for the opening of markets, we need to do all we can to be prepared for the tough task ahead.”

Today’s GAO report is available at www.gao.gov.

Grassley Announces Subcommittee Hearing on Free Trade Area of the Americas

Event: Hearing, Subcommittee on International Trade of the Finance Committee, “Status of the Free Trade Area of the Americas: Negotiations and Preparations for the Miami Ministerial”

Date/time: Tuesday, May 13, 2003, at 2 p.m.

Location: 215 Dirksen Senate Office Building

Witness List

Panel One

The Honorable Peter Allgeier, Deputy U.S. Trade Representative, Washington, D.C.

Panel Two

Loren Yager, Director, International Affairs and Trade, United States General Accounting Office, Washington, D.C.

James Fendell, President, Association of American Chambers of Commerce in Latin America, Miami, Fla.

Craig Hill, Vice President, Iowa Farm Bureau Federation, West Des Moines, Iowa

John Audley, Senior Associate and Director, Trade, Equity and Development Program, Carnegie Endowment for International Peace, Washington, D.C.

Thea M. Lee, Assistant Director for International Economic Policy, AFL-CIO, Washington, D.C.